



Memorandum # 26/2006

Commonwealth of Massachusetts | Public Employee Retirement Administration Commission
Five Middlesex Avenue, Third Floor, Somerville, MA 02145
Ph 617 666 4446 | Fax 617 628 4002 | TTY 617 591 8917 | www.mass.gov/perac
Domenic J. F. Russo, *Chairman* | A. Joseph DeNucci, *Vice Chairman*
Kenneth J. Donnelly | James M. Machado | Donald R. Marquis | Thomas Trimarco
Joseph E. Connarton, *Executive Director*

MEMORANDUM

TO: All Retirement Boards

FROM: Joseph E. Connarton, Executive Director

RE: Pending Proceeding Relative to the Middlesex Retirement Board (MRB)

DATE: May 25, 2006

I am forwarding to you a copy of a communication received by the Commission from the Inspector General of the Commonwealth dated April 25, 2006. I am providing this communication to you for informational purposes only and in an effort to correct any misrepresentations or mischaracterizations which may have occurred since the communication was received.

As you may or may not know, pursuant to this communication the Commission, at its meeting of April 26, 2006, voted to conduct a proceeding pursuant to 840 CMR 1.03 in an effort to determine if in fact any fiduciary breach of duty may have occurred by a member or members of the MRB. The proceeding was originally scheduled to be held on May 16, 2006. The Commission has not voted to suspend, remove or sanction anyone at the Board. Nor has it indicated that any such action may be taken against them or any other retirement system. The scheduled proceeding is solely to address the issues relative to the MRB as raised by the Inspector General's letter referenced above.

Subsequent to the vote of the Commission, attorneys for the MRB sought and received, from the Middlesex Superior Court, a Temporary Injunction prohibiting the Commission from holding the proceeding on or before July 7, 2006. No new date has been set by the Commission, but it has voted to secure the services of an independent hearing officer as well as outside legal counsel to assist in preparations for the proceeding, and to insure all parties receive a full, fair and impartial proceeding. At the conclusion of the hearing the Commission will meet at some future date to determine what, if any, action is warranted. At that time I will again inform you of the action taken by the Commission.

I hope that this clarifies any confusion that may exist regarding the Commission's actions.